



Legislation Text

File #: 21-2165, **Version:** 1

Subject:

Public hearing on FY 2021-22 Water and Sewer Rates

EXPLANATION AND SUMMARY :

This is the fourth year of a five-year plan implemented as a result of a water and sewer rate study undertaken in FY 2018. The study and resulting rate plan are designed to ensure that water and sewer rates maintain the financial health of the system, allow for an adequate investment in infrastructure, and align with industry best practices.

Consumption patterns have changed slightly since March 2020, during the pandemic, and have resulted in increased cash inflow vs. a decrease in wholesale water costs for water cash reserves. Sewer cash reserves have decreased slightly due to increasing costs of sewer treatment. Based on a comparison of current cash reserves in the fund to the five-year plan, the following increases are recommended for FY 2021-22:

- 1% increase in water rates
- 10% increase in sewer rates
- 4.3% increase in service charge so that it equals 15% of total charges (industry standard)

Overall, the average residential customer's bill is projected to increase 6% or \$11.75 per quarter or \$47 per year.

Water availability fees will rise slightly and will have only a small impact on revenue.

Changes to the fee schedule are attached. A public hearing on these fee changes will be held to provide water and sewer customers an opportunity to offer comments.

Strategic Plan Initiative: *Vienna is a fiscally responsible community.*

Departmental Recommendation : Recommend a public hearing.

Finance Recommendation : Recommend a public hearing.

Purchasing Recommendation : N/A

Town Attorney Recommendation : Pursuant to Virginia and Town Codes, the Town Attorney recommends a public hearing be conducted by Town Council to receive public input on the proposed water and sewer rates.

Town Manager's Recommendation : I recommend the Town Council close the public hearing and approve water and sewer rates and fees for FY 2021-2022 as presented.

Cost and Financing: \$10,816,600

Account Number: various

Decision Needed by This date: April 12, 2021

PROPOSED/SUGGESTED MOTION

"I move to close the public hearing."

And

"I move to approve water and sewer rates and fees for FY 2021-22 as presented. I further move that the Town Clerk be directed to advertise a Notice of Intent to Adopt water and sewer rates and fees for fiscal year 2021-22 at the May 17, 2021 Town Council meeting."

Or

Other action deemed necessary by Council.